

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 97-076-C - ORDER NO. 97-533
JUNE 19, 1997

IN RE: Application of 2M Communications, Inc.)
 for a Certificate of Public Convenience)
 and Necessity to Operate as a Provider)
 of Local, IntraLATA and InterLATA Inmate)
 Telecommunications Services.)

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This matter comes before the Public Service Commission of South Carolina (the "Commission") on the Application of 2M Communications, Inc. ("2M" or the "Company") for a Certificate of Public Convenience and Necessity. The Applicant proposes to provide local, intraLATA, and interLATA services to inmate facilities in South Carolina. 2M's Application was filed pursuant to S. C. Code Ann. Section 58-9-280, and the Regulations of the Commission.

The Commission's Executive Director instructed 2M to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of 2M's Application and of the manner and time in which to file the appropriate pleadings for participation in these proceedings. 2M complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by BellSouth Telecommunications, Inc. (BellSouth); however, BellSouth

subsequently, and prior to the hearing, notified the Commission that it wished to withdraw its intervention in this Docket.

A hearing was commenced on May 22, 1997, at 10:30 a.m., in the Commission's Hearing Room. The Honorable Guy Butler, Chairman, presided. 2M was represented by John F. Beach, Esquire. Florence P. Belser, Staff Counsel, represented the Commission Staff.

Montye M. DuBose, President of 2M, appeared and offered testimony in support of 2M's Application. Mrs. DuBose stated that 2M is currently a provider of pay telephone services to the public pursuant to authority issued by this Commission. Mrs. DuBose testified that by the instant Application 2M is seeking authority to provide 0+ automated collect-only local, intraLATA and interLATA service from confinement facilities. According to the record, 2M will only utilize carriers properly certified by the Commission to provide service. Mrs. DuBose explained that an affirmative, positive response from the called party must be received by the Company before the calls are connected. According to Mrs. DuBose, 2M has extensive technical and managerial experience with which to provide the services described in its Application, and 2M will provide its services in accordance with current Commission policies. Mrs. DuBose also offered that 2M is well qualified financially to provide its proposed services and that the proposed services are in the public interest.

After full consideration of the applicable law, the Application, and the testimony submitted by 2M, the Commission

hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. 2M is incorporated under the laws of the State of South Carolina and conducts business in the State of South Carolina.

2. 2M operates as an independent payphone provider in South Carolina, is authorized (or certified) by this Commission to provide independent payphone services in South Carolina, and wishes to provide collect-only call capability to inmates of confinement (correctional) facilities located in South Carolina.

3. 2M has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to 2M to provide collect-only call capability from confinement facilities in South Carolina.

2. The Commission adopts a rate design for 2M for its operator services which includes only maximum rate levels for each tariff charge. For intrastate interLATA ("0+") collect calls, 2M may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T Communications of the Southern States, Inc. ("AT&T"), and for the usage portion of the call, 2M may not charge more than the intrastate rates charged by AT&T at the time such call is completed. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously

adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. 2M shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. 2M shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1996).

4. 2M shall file its revised tariff and an accompanying price list within thirty (30) days of the date of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. 2M shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No.

88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

6. 2M shall utilize the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If 2M changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the provision of inmate calling services for local and intraLATA calling, 2M shall not charge rates any greater than the rates charged by the local exchange company at the time a call is placed. For interLATA calling, 2M shall charge rates not greater than AT&T's charges and operator station usage rates at the time the call is placed. Additionally, automated collect calls shall only be completed upon the affirmative acceptance by the called party. The Company shall not impose any property imposed fee on calls originating from inmate facilities.

8. For inmate calling service, call detailed information submitted to the local exchange company for billing purposes must include the COCOT access line and telephone number as assigned to the line by the local exchange company.

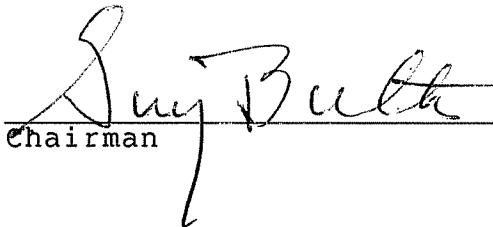
9. 2M is granted a waiver of certain COCOT guidelines (including but not limited to the guidelines regarding (1) directories; (2) the ability to access 411, 911, and live operator; (3) ability to connect to toll free numbers such as 800 or 888; (4) time limits; and (5) incoming calls.) 2M is allowed to place phones which are configured to complete collect-only outgoing calls in the confinement facilities and may adapt the

phones in such a fashion as to meet the requests and needs as set forth by the administrator of the confinement facility.

10. The Company shall, in compliance with Commission Regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. 2M shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced, and the Company is directed to comply with the Commission regulations unless waived by the Commission.

11. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Deputy
Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME

FEI NO.

ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.
- * THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.
- * THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE

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ATTACHMENT B

INFORMATION OF THE AUTHORIZED UTILITY REPRESENTATIVES
FOR INTEREXCHANGE, LOCAL AND AOS COMPANIES

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and
maintain with the Commission the name, title, address, and
telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by

Signature

If you have any questions, contact the Consumer Services
Department at 803-737-5230